

Message Text

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TAGS: ELAB CI

SUBJECT: TRI-PARTITE COMMISSION BEGINS SPECIAL WAGE NEGOTIATIONS

1. SUMMARY: SEPT 14 FIRST WORKING SESSION OF NATIONAL TRI-PARTITE SESSION ON WAGES PRODUCED 8 PERCENT OFFER FOR GENERAL WAGE INCREASE FROM EMPLOYERS WHILE LABOR REPS HELD FIRM ON PREVIOUSLY ANNOUNCED 65 PERCENT DEMAND. EMPLOYERS DISPOSED TO INCLUDE PREVIOUSLY AGREED UPON ANNUAL 15 PERCENT INCREASE COMPENSATING FOR PRE-FLOAT COL INCREASE. IT IS NOT CLEAR IF LABOR'S 65 PERCENT DEMAND INCLUDES THIS HIKE. LABOR REITERATED ITS THREAT TO CALL GENERAL STRIKE ON NOON SEPT 28 IF NO SETTLEMENT IS REACHED.

2. THERE ARE SOME INDICATIONS THAT LABOR IS SERIOUSLY INTENT ON THREAT TO STRIKE IF "JUST" SETTLEMENT NOT REACHED. GOM WILL UNDOUBTEDLY CONTINUE PRESSURE ON LABOR TO MODERATE ITS SIGHTS BUT MAY BE MISJUDGING LATTER'S RESOLVE GENERATED BY STRONGER THAN USUAL PRESSURES FROM THEIR MEMBERSHIP CONCERNED OVER RAPIDLY RISING PRICES. THE MAJOR LABOR SPOKESMAN INDICATED TO LABATT THESE PRESSURES ARE STRONG AND EXPERIENCE "UNIQUE" FOR LABOR LEADERSHIP. END SUMMARY.

3. SEPT 15 PRESS REPORTED RELATIVELY HEATED FIRST WORKING SESSION OF NATIONAL TRI-PARTITE COMMISSION HELD PREVIOUS DAY AS EXPECTED STAND-OFF BETWEEN LABOR AND
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EMPLOYER REPRESENTATIVES. UNION LEADERS HELD TO THEIR

PREVIOUSLY ANNOUNCED DEMAND FOR A 65 PERCENT ACROSS-THE-BOARD "SPECIAL" GENERAL WAGE INCREASE (REFTEL-A) WHILE MANAGEMENT ORGANIZATIONS SPOKESMAN OFFERED ONLY 8 PERCENT. THIS LATTER OFFER DOES NOT INCLUDE A GENERALLY AGREED UPON 15 PERCENT INCREASE TO OFFSET COST-OF-LIVING INCREASES EXPERIENCED PRIOR TO ANNOUNCEMENT OF PESO FLOAT. LABOR DELEGATION HAS NEVER MADE CLEAR IF ITS DEMAND OF 65 PERCENT INCLUDES THIS 15 PERCENT INCREASE. WE SUSPECT IT DOES NOT. IN ANY EVENT THE RANGE OF DIFFERENCE IS CONSIDERABLE; FROM 42 TO 57 PERCENT. CONGRESO DEL TRABAJO AND CTM SPOKESMEN REITERATED THEIR ORGANIZATIONS' FIRM INTENTION TO CALL GENERAL STRIKE AT NOON ON SEPTEMBER 28 IF SETTLEMENT IS NOT REACHED. GOM PARTICIPANT FROM JUNTA NACIONAL DE CONCILIACION Y ARBITRAJE OFFERED INFORMATION WHICH LENDS WEIGHT TO THE THREAT WITH CLAIM THAT HIS OFFICE HAD RECEIVED NOTICE OF INTENTION TO STRIKE ON THIS DATE FROM 2259 UNIONS (1800 IN THE FEDERAL DISTRICT) DURING PAST WEEK.

4. ADVERSARIES REACHED AGREEMENT ON ONLY TWO RELATIVELY MINOR POINTS. ANY INCREASE AGREED UPON WILL BE RETROACTIVE TO SEPT 1 AND ANY AGREEMENT ON "SPECIAL" DEVALUATION WAGE INCREASE WILL NOT AFFECT REGULAR ANNUAL COL ADJUSTMENT.

5. COMMENT: ALTHOUGH GOM PARTICIPANTS PLAYED RATHER LOW KEY ROLE IN THIS SESSION, THEY WILL UNDOUBTEDLY INCREASE THEIR SIDE-LINES PRESSURE, PARTICULARLY ON LABOR LEADERS TO MAKE MAJOR CONCESSIONS. THEIR ABILITY TO INFLUENCE LABOR THROUGH THEIR SPECIAL PRI-LABOR RELATIONSHIP IN YEARS PAST MAY BE SERIOUSLY STRAINED ON THIS OCCASION. THERE ARE SOME INDICATIONS THAT LABOR IS EXPERIENCING UNUSUAL PRESSURES FROM ITS MEMBERSHIP AND CONSITUTENT ORGANIZATIONS FOR AN INCREASE PEGGED TO THE PESO-DOLLAR DEVALUATION RELATIONSHIP OF ABOUT 60 PERCENT. TOP LEADERSHIP MAY FEEL COMPELLED TO PRODUCE MORE THAN THE 20-25 PERCENT INCREASE WHICH THE GOM IS PROBABLY WILLING TO CONCEDE.

6. THERE IS DEFINITELY GROWING PUBLIC-WORKER CONCERN OVER REAL OR IMAGINED SHARP PRICE INCREASES IN BASIC CONSUMER LIMITED OFFICIAL USE

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COMMODITIES AND UNCERTAINTY AS TO HOW FAR THE GOM WILL GO IN CONTROLLING THIS TREND. FIDEL VELAZQUEZ, HEAD OF THE BOG CTM (A MAJOR PART OF THE CONGRESO DEL TRABAJO NEGOTIATING TEAM) TOLD THE LABATT LAST WEEK THAT LESO FLOAT WAS A "UNIQUE EXPERIENCE" FOR MEXICAN LABOR, "WAS CAUSING SERIOUS CONCERN AMONG CTM AND OTHER MAJOR LEADERS," AND THAT "HE DID NOT KNOW WHERE IT WOULD ALL END." END COMMENT.

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